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CELEBRATING INDEPENDENCE—FROM AUSTIN TO WACO, TEXAS IS WELL COVERED AS SUNDANCE FILM FESTIVAL KICKS OFF

(By Ann Hornaday)

"Waco" had crowds riveted.

As usual, many of the stand-outs of the festival have been in the non-fiction categories. Friday morning was brightened considerably with the world premier of "Riding the Rails," a film about the generation of teenagers who took to riding boxcars during the Depression. And the envelope wasn't just pushed, it was exploded by the most powerful film to be shown yet at Sundance.

Director William Gazecki presented "Waco: The Rules of Engagement" to a packed screening room on Saturday when it made its world premiere as part of the non-competitive American Spectrum sidebar. This harrowing tale of the siege at the Branch Davidian compound and its tragic end unearths shattering evidence of hidden agenda, dishonesty, religious persecution and fatal culpability on the part of the U.S. government. With tapes of never-before-heard negotiations between David Koresh and agents of the Bureau of Alcohol, Tobacco and Firearms and the FBI, video shot by the FBI at the compound and infrared photography, as well as interviews and congressional testimony, Gazecki leads the audience to the chilling conclusion that, as one former FBI special agent puts it, the Davidians who died in the fire on April 19, 1993 "were victims of a homicide" at the hands of their own government. The audience, most of whom stayed for the three-hour entirety of "Waco," remained riveted up until its disturbing final shot—an almost unheard-of phenomenon at a Sundance screening, let alone one where everyone knows the ending.

RETURN CAPITAL TO THE AMERICAN PEOPLE ACT (RECAP ACT)

HON. JENNIFER DUNN

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1997

Ms. DUNN of Washington. Mr. Speaker, I rise today to introduce the Return Capital to the American People Act (ReCAP Act). This legislation provides a capital gains reduction for both individuals and corporations and will do more to boost our Nation's economy, more to create jobs, more to enhance U.S. competitiveness worldwide, and more to increase savings and investment than any other single legislative change we can enact.

For established, successful businesses, for struggling entrepreneurs, and for middle-class families across the country, this measure represents the most serious effort to unlock billions of dollars in investment providing for expanded growth and job creation.

While there are many reasons to support a reduction in the capital gains rate, I would like to highlight what I believe to be the most compelling case for enactment of the ReCAP Act.

A low capital gains rate benefits all Americans. This bill is fair to all income groups and sectors of our economy. Many of the so-called rich who would benefit from a cut in capital gains taxes are only rich for one year. A family in Eatonville that sells its house, an owner in Issaquah who sells a small business, a worker in Bellevue selling stock received through an

employee stock option, and a retiree in Auburn selling an asset and planning to live off the proceeds would all be considered wealthy on current tax distribution tables. For example, a review by the Joint Committee on Taxation on capital gains realizations for the period 1979–1983 shows that nearly 44 percent of tax returns claiming a capital gain during the 5-year period claimed only one capital gain. Most of these people aren't rich, regardless of what statistics say. They merely have one year of inflated income because they realized a big capital gain.

Furthermore, an analysis of 1993 tax returns found that nearly 50 percent of the tax returns reporting capital gains were filed by taxpayers with less than \$40,000 in adjusted gross income. Of tax returns claiming a capital gain, nearly 60 percent of those returns are filed by taxpayers with less than \$50,000 in adjusted gross income.

Low capital gains rate is important for our future and our Nation's ability to save and invest. Americans do not save enough. If you look at our tax laws, you will see why. Instead of encouraging people to save, the tax code often punishes people who save and invest. This is primarily due to the fact that the income tax hits savings more than once—first when income is earned and again when interest and dividends on the investment supported by the original savings are received. This system is inherently unfair because the individual or company that saves and invests pays more taxes over time than if all income were consumed and no savings took place. We need to change this. Without savings, a person cannot buy a house, a business cannot purchase new equipment, and our economy cannot create jobs. Unless we can raise our national savings rate, our standard of living, and our children's and grandchildren's standards of living will not grow.

Lowering the capital gains rate unlocks investment and America's true economic potential. High capital gains taxes can prevent someone from selling an asset and paying the tax. This is the lock-in effect: when a person will not sell an investment and reinvest the proceeds in a higher paying alternative if the capital gains taxes he or she would owe exceed the expected higher return on the original investment.

This lock-in effect limits economic growth and job creation. Capital stays locked in an investment instead of being free to go to a person who wants to hire new employees in her consulting business. Lower capital gains taxes will reduce the lock-in effect and free up capital for small businesses, first-time home buyers, and entrepreneurs.

Lower capital gains will increase Federal revenues and thus help reach the goal of a balanced budget. History indicates that lower capital gains taxes have a positive impact on Federal revenues. During the period of 1978 to 1985 the marginal Federal tax rate on capital gains was cut from almost 50 percent to 20 percent—but total individual capital gains tax receipts increased from \$9.1 billion to \$26.5 billion. After surging to \$326 billion in 1986 (the year before the 1986 rate increase took effect), capital gains realizations have trended down and remained at less than \$130 billion per year in the 1990's.

Given the increases in the stock market, inflation, and growth of the economy since the late 1980's, realizations and taxes paid are

certainly being depressed by the current high capital gains rates.

CONCLUSION

Rather than discouraging American workers and businesses, the Federal Government ought to simply get out of the way. Lower capital gains taxes—as embodied in this bill—leave more vital capital in the hands of businesses, investors, and entrepreneurs. They know a lot more than the Federal Government ever can or will about creating jobs and products in a competitive marketplace.

History proves that capital gains tax reduction is the right course to take. In the past, reductions always have boosted the Nation's economy and increased tax revenues to the Federal Government. If a goal of this Congress is to pass legislation promoting economic opportunity and growth in America, then common sense suggests that we enact the ReCAP Act.

CONGRATULATIONS TO THE USCG AIR STATION, SAVANNAH, GA FOR A JOB WELL DONE

HON. JACK KINGSTON

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 12, 1997

Mr. KINGSTON. Mr. Speaker, when no one else was able to help, U.S. Coast Guard helicopter 6573, based at the USCG Air Station in Savannah, GA, swung into action to carry a 3-year-old burn victim from Statesboro, GA to much-needed treatment in Savannah, GA. The air station staff's heroic actions are detailed in the following letter from Bulloch Co. EMS/Rescue Director Lee Eckles:

BULLOCH COUNTY EMS/RESCUE,

Statesboro, GA, September 27, 1996.

Adm. ROBERT E. KRAHEK,
Commandant, U.S. Coast Guard,
Washington, DC.

DEAR ADMIRAL KRAHEK: I realize how busy you must be, but when it comes to expressing ones thanks for saving the life of a child, I felt like you just might have a few minutes to read this letter.

On September 25, 1996, our department was dispatched to respond to a "burn patient" some ten (10) miles away from our station. With no other information available, we responded. Arriving at the scene, our staff found a three year old female with second and third degree burns covering over seventy percent of her body. Within twenty-five minutes of our dispatch time, the child was receiving primary care treatment at our local hospital.

It was clear from first observations that this three year old would need the specialized care of the "Burn Center" ninety miles to our west, in order to have any chance of survival. Due to the extent and severity of the burns, and the fact that she had suffered extensive airway burns, transport time to the burn center would have a significant impact on her survival. Air transport was the only option. The regional Trauma Center in Savannah, fifty miles to our east has the only civilian medivac helicopter available in all of South Georgia. Upon making the request, I was notified that their helicopter was out of service for maintenance. They did however, quickly refer us to the military M.A.S.T. helicopter unit at Fort Stewart. As I dialed the phone, I remembered from my military tour of duty with the Coast Guard, (1978–1981), the bureaucratic process that